TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

No. ~~1084.~~ 719

THE UNITED STATES, PLAINTIFFS,

vs.

W. W. JOHNSON, T. E. McNAMARA, AND N. S. REEDER.

ON A CERTIFICATE OF DIVISION IN OPINION BETWEEN THE JUDGES OF THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF OHIO.

FILED FEBRUARY 20, 1879.

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1 THE UNITED STATES OF AMERICA,
Southern District of Ohio, ss:

Be it remembered, that at a circuit court of the United States, within and for the district aforesaid, begun and held at the court house, in the city of Cincinnati, on the first Tuesday of October, being the first day of that month, in the year of our Lord one thousand eight hundred and seventy-eight, and of the Independence of the United States of America the one hundred and third.

Present, the honorable John Baxter and the honorable Philip B. Swing, judges of said court.

Among the proceedings then and there had, came on to be heard the case of the United States of America against W. W. Johnson, T. E. McNamara, and N. S. Reeder, on a criminal information, prosecuted by Channing Richards, attorney of the United States for said district, and filed in said court, on the 10th day of December, A. D. 1878, being a day within the October term, A. D. 1878, of said court, and upon a demurrer filed by the defendants to the said information, which said information and demurrer are in the words and figures following, to wit:

2 19—141. No. .

THE UNITED STATES OF AMERICA,
Southern District of Ohio, ss:

In the circuit court of the United States, within and for the southern district of Ohio, in the sixth judicial circuit of the term of October, in the year of our Lord one thousand eight hundred and seventy-eight.

FIRST COUNT.

Channing Richards, attorney of the United States for the said district, now comes into open court, and prosecuting for and in behalf of the United States of America, informs the court that W. W. Johnson, T. E. McNamara, and N. S. Reeder, on, to wit, the 1st day of August, in the year of our Lord one thousand eight hundred and seventy-eight, in the county of Hamilton, in the State of Ohio, in the circuit and district aforesaid, and within the jurisdiction of this court, did then and there unlawfully, knowingly, and wilfully counterfeit a trade mark which had been previously registered pursuant to the statutes of the United States, with intent to defraud some person or persons to the said attorney unknown; which said trade-mark consisted of the symbols "OK." and was registered in the United States Patent Office, on the second day of April, A. D. 1878, upon application of Chas. F. O'Donnell,
3 for use upon packages of whisky manufactured and sold by him, or by his successors in business, who are entitled to the sole use and benefit thereof as a trade-mark for whisky. And the said counterfeit thereof also consisted of said symbols "OK." and was used by the said W. W. Johnson, T. E. McNamara, and N. S. Reeder, upon packages of whisky manufactured and sold by them, contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States of America.

SECOND COUNT.

And said Channing Richards, attorney of the United States for said district, prosecuting as aforesaid, further informs the court that W. W.

Johnson, T. E. McNamara, and N. S. Reeder, on, to wit, the first day of August, in the year of our Lord one thousand eight hundred and seventy-eight, in the county of Hamilton, in the State of Ohio, in the circuit and district aforesaid, and within the jurisdiction of this court, did then and there unlawfully, knowingly, and willfully counterfeit a trade-mark which had previously been registered pursuant to the statutes of the United States, with intent to defraud some person or persons to the said attorney unknown, which said trade-mark consisted of a seal and ribbon, the latter being secured by the seal of the package containing whisky, and was registered in the United States Patent Office on
4 the twenty-first day of May, A. D. 1878, upon application of Charles F. O'Donnell, for use upon packages of whisky manufactured and sold by him, or by his successors in business, who are entitled to the sole use thereof as a trade-mark for whisky, and the said counterfeit thereof also consisted of a seal and ribbon, the latter being secured by the seal to the package containing whisky, and was registered in the United States Patent Office, on the 21st day of May, A. D. 1878, upon application of Charles F. O'Donnell, for use upon packages of whisky manufactured and sold by him, or by his successors in business, who are entitled to the sole use thereof as a trade-mark for whisky; and the said counterfeit thereof also consisted of a seal and ribbon, the latter being secured by the seal to the package containing whisky, and was used by the said W. W. Johnson, T. E. McNamara, and N. S. Reeder, upon packages of whisky manufactured and sold by them, contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States of America.

THIRD COUNT.

And said Channing Richards, attorney of the United States, prosecuting as aforesaid, further informs the court, that W. W. Johnson, T. E. McNamara, and N. S. Reeder, on, to wit, first day of August, in
5 the year of our Lord one thousand eight hundred and seventy-eight, in the county of Hamilton, in the State of Ohio, in the circuit and district aforesaid, and within the jurisdiction of this court, did then and there unlawfully, knowingly, and wilfully make a colorable imitation of a certain trade mark, which had previously been registered pursuant to the statutes of the United States, with interest to defraud some persons to the said attorney unknown, which said trade mark consisted of a seal and ribbon, the latter being secured by the seal to the package containing whisky, and was registered in the United States Patent Office, on the twenty-first day of May, A. D. 1878, upon application of Charles F. O'Donnell, for use upon packages of whisky manufactured and sold by him or by his successors in business, who are entitled to the sole use thereof as a trade mark for whisky; and the said colorable imitation thereof also consisted of a seal and ribbon, the latter being secured by the seal to the package containing whisky, and was used by said W. W. Johnson, T. E. McNamara, and N. S. Reeder upon packages of whisky manufactured and sold by them, contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States of America.

FOURTH COUNT.

And said Channing Richards, attorney of the United States prosecut-

ing as aforesaid, does further inform the court that W. W. John-
6 son, T. E. McNamara, and N. S. Reeder, on, to wit, the first day of August, in the year of our Lord one thousand eight hundred and seventy-eight, in the county of Hamilton, in the State of Ohio, in the circuit and district aforesaid and within the jurisdiction of this court, did then and there unlawfully and fraudulently affix a certain colorable imitation of a certain trade mark, which had theretofore been registered pursuant to the statutes of the United States to packages of goods of substantially the same descriptive properties as those referred to in the registration of said trade mark, which said trade mark was duly registered in the United States Patent Office on the second day of April, 1878, upon the application of Charles F. O'Donnell, consisting of the symbols "OK" for use upon packages upon whisky manufactured and sold by him and by his successors in business, and which said colorable imitation of said trade mark likewise consisted of the symbols "OK" was affixed by the said W. W. Johnson, T. E. McNamara, and N. S. Reeder, to packages of whisky sold by themselves, and was calculated to deceive the public. They, the said W. W. Johnson, T. E. McNamara, and N. S. Reeder, then and there knowing the said colorable imitation to be
7 counterfeit, and the said goods to the packages whereof they did affix the same, not to be the genuine goods referred to in said registration, to wit, whisky manufactured and sold by said Charles F. O'Donnell and his successors in business, contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States of America.

FIFTH COUNT.

And said Channing Richards, attorney of United States, prosecuting as aforesaid, does further inform the court that W. W. Johnson, T. E. McNamara, and N. S. Reeder, on, to wit, the first day of August, in the year of our Lord one thousand eight hundred and seventy-eight, in the county of Hamilton, in the State of Ohio, in the circuit and district aforesaid, and within the jurisdiction of this court, did then and there unlawfully and fraudulently affix a certain colorable imitation of a certain trade mark, which had theretofore been registered pursuant to the statutes of the United States, to packages of goods of substantially the same descriptive properties as those referred to in the registration of said trade mark, which said trade mark consisting of a seal and ribbon, the latter being secured by the seal to a package containing whisky, was duly registered in the United States Patent Office, on the 21st day of May, A. D. 1878, upon the application of Charles F. O'Donnell, for use upon packages of
8 whisky manufactured and sold by him and by his successors in business, and which said colorable imitation consisted of a seal and ribbon, the latter being secured by the seal to a package containing whisky, sold by said W. W. Johnson, T. E. McNamara, and N. S. Reeder, and was calculated to deceive the public. They, the said W. W. Johnson, T. E. McNamara, and N. S. Reeder, then and there knowing the said colorable imitation to be counterfeit, and the said goods, to the packages whereof they did affix the same, not to be the genuine goods referred to in said registration, contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States of America.

SIXTH COUNT.

And said Channing Richards, attorney of the United States, prose-

cuting as aforesaid, does further inform the court that W. W. Johnson, T. E. McNamara, and N. S. Reeder, on, to wit, the first day of September, in the year of our Lord one thousand eight hundred and seventy-eight, in the county of Hamilton, in the State of Ohio, in the circuit and district aforesaid, and within the jurisdiction of this court, did then and there, with intent to defraud one Mary O'Donnell, deal in and sell certain goods of substantially the same descriptive properties as those referred to in the registration of a certain trade mark pursuant to the statutes of the United States, to wit, whisky, referred to in the
9 registration of a certain trade mark registered in the United States Patent Office, on the 2d day of April, A. D. 1878, upon the application of Charles F. O'Donnell, for use upon packages of whisky manufactured and sold by him and by his successors in business, which said trade mark was duly transferred to said Mary V. O'Donnell, his successor in business, who was entitled to the sole use thereof as her trade mark for whisky, consisting of the symbols "OK," and to the packages containing the said whisky so dealt in and sold by said W. W. Johnson, T. E. McNamara, and T. E. Reeder, was fraudulently affixed a colorable imitation of said trade mark, likewise consisting of the symbols "OK," and calculated to deceive the public. They, the said W. W. Johnson, T. E. McNamara, and N. S. Reeder, then and there well knowing the said imitation to be counterfeit, and the goods in said packages to which it was affixed not to be the genuine goods referred to in said registration, contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States of America.

SEVENTH COUNT.

And said Channing Richards, attorney of the United States for said district, prosecuting as aforesaid, further informs the court that W. W. Johnson, T. E. McNamara, and N. S. Reeder on, to wit, the first day of September, in the year of our Lord one thousand eight hundred
10 and seventy , in the county of Hamilton, in the State of Ohio, in the circuit and district aforesaid, and within the jurisdiction of this court, did then and there with intent to defraud James O'Donnell and Mary V. O'Donnell, deal in certain goods of substantially the same descriptive properties as those referred to in the registration of a certain trade mark, pursuant to the statutes of the United States, to wit, whisky, which said trade mark consisted of a seal and ribbon, the latter being secured by the seal to the package containing the whisky, and was duly registered in the United States Patent Office on the 21st day of May, A. D. 1878, upon the application of Charles F. O'Donnell, for use upon packages of whisky manufactured and sold by him and by his successors in business, and by him duly transferred to said James O'Donnell and Mary O'Donnell, his successors in business, who were entitled to the sole use thereof as their trade mark for whisky, and to the packages containing the said whisky so dealt in by the said W. W. Johnson, T. E. McNamara, and N. S. Reeder, was fraudulently affixed a colorable imitation of said trade mark, likewise consisting of a seal and ribbon, the latter being secured by the seal to the package containing the whisky, and calculated to deceive the public. They, the said W. W. Johnson, T. E. McNamara, and N. S. Reeder, then
11 and there well knowing the said imitation to be counterfeit, and the goods in said packages to which it was affixed not to be the genuine goods referred to in said registration, contrary to the form of

the statute in such case made and provided, and against the peace and dignity of the United States of America.

Whereupon the said attorney prays the consideration of the court here in the premises, and that due process may be awarded against the said W. W. Johnson, T. E. McNamara, and N. S. Reeder, requiring them to answer to the United States of America touching said offenses.

CHANNING RICHARDS,
U. S. Attorney.

12 *Demurrer.*

Circuit court of the United States for the southern district of Ohio.

THE UNITED STATES
vs.
W. W. JOHNSON ET AL.

And now come defendants, and demur to the information filed herein, and to each count thereof, because they say:

First. That this court has no jurisdiction of the offenses therein charged.

Second. That the facts stated in the said information, and in each count thereof, are insufficient in law to constitute an offense against the laws of the United States.

HOADLY, JOHNSON & COLSTON,
Attorneys for Def'ts.

13 And thereupon the following question occurred before the court, which was entered upon the minutes thereof, and is in the words and figures following, to wit:

Information.

THE UNITED STATES
vs.
W. W. JOHNSON ET AL.

This cause, now coming on to be heard before Hon. John Baxter and Hon. Philip B. Swing, judges of said court, sitting therein upon the demurrer to the information herein, and thereupon a question rose for decision whether the act of Congress approved August fourth, 1876, entitled "An act to punish the counterfeiting of trade-mark goods and the sale or dealing in of counterfeit trade-mark goods," is within the constitutional power of Congress, or whether the same is unconstitutional, null, and void; upon which question the opinions of the judges aforesaid were opposed; and it is ordered that the said point of disagreement be certified, under the seal of the court, to the Supreme Court at their next session.

14 UNITED STATES OF AMERICA,
Southern District of Ohio, ss:

I, Thomas Ambrose, clerk of the circuit court of the United States within and for said district, do hereby certify the foregoing to be a true and correct transcript of the certificate and proceedings of said court had in and before said court in the case therein mentioned remaining of record

and on file in said court, and I do in conformity with the requirement of the judges therein contained so certify the same to the honorable the Supreme Court of the United States.

In testimony whereof I have hereunto set my hand and affixed the seal of said court this 20th day of January, A. D. 1879, and in the 103d year of American Independence.

Attest:

[SEAL.]

THO'S AMBROSE,
Clerk U. S. Circuit Court S. D. O.

(Indorsed:) No. Criminal. The United States vs. W. W. Johnson et al. Transcript.

(Indorsement on cover:) No. 1084. The United States, plaintiffs, vs. W. W. Johnson, T. E. McNamara, & N. S. Reeder. S. Ohio C. C. U. S. Certificate of division. Filed 20th February, 1879.

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In the Supreme Court of the United States.

THE UNITED STATES
vs.
W. W. JOHNSON, T. E. MCNAMARA, AND N. S. REEDER.
No. 719.

ON A CERTIFICATE OF DIVISION IN OPINION BETWEEN THE JUDGES OF THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF OHIO.

In the Supreme Court of the United States.

THE UNITED STATES
vs.
W. W. JOHNSON, T. E. McNAMARA, AND N. S. Reeder. } No. 719.

ON A CERTIFICATE OF DIVISION IN OPINION BETWEEN THE JUDGES OF THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF OHIO.

This is a criminal information upon the statute of the 14th of August, 1876 (19th Stats., 141), entitled "An act to punish the counterfeiting of trade-mark goods, and the sale and dealing in trade-mark goods."

The question is upon the constitutionality of the act. Also, the validity of that portion of the act of July 8, 1870 (16 Stats., 198), entitled "An act to revise, consolidate, and amend the statutes relating to patents and copyrights," which relates to trade-marks, is incidentally brought in question. Sections 77 to 84, inclusive, are upon this subject. The same or corresponding sections are in the Revised Statutes, and numbered 4937 to 4947.

It may be well to note here that in the original act the sections relating to trade-marks are thrown into the body of the act concerning patents and copyrights; and in the Revised Statutes the three subjects are brought

together under one title, thus: "Title LX. Patents, Trade-marks, and Copyrights."

The validity of the act of July 8, 1870 (which provides for the registration of trade-marks, and remedies by civil actions for their infringement), was recognized by Mr. Justice Clifford, who delivered the opinion of the court in McLane *v.* Fleming (96 U. S., 245). The first sentence of the opinion, page 48, is as follows:

"Protection for lawful trade-marks may be obtained by individuals, firms, or corporations entitled to the same if they comply with the requirements prescribed by the act of Congress; and the provision is, that a trade-mark duly registered as required shall remain in force thirty years from the date of such registration, subject to an exception not necessary to be noticed. (16 Stat., 210; Rev. Stat., sects. 4937, 4941.)"

Here it is clearly intimated *that protection for trade-marks is rightfully provided by Congress.* For, if the act cited is invalid, no protection could be obtained under it. There is but one step further to our case. If protection to trade-marks by civil remedies is within the power of Congress, the whole subject is within its power, and statutes denouncing punishment against pirating upon property in trade-marks as a crime are constitutional. But in this case, and in several cases in the circuit court, which are cited on the margin of page 955 of the Revised Statutes, the question of the constitutionality of the act was not raised. In all these cases and many others its validity under the Constitution has been assumed rather than directly affirmed.

Except the case now before the court the question has been raised in only two others of which there is any report—one in the circuit court for the southern district

of Ohio, Duwel *v.* Bohmer, reported in the Cincinnat Law Bulletin for July 22, 1878, and the other in the circuit court for the eastern district of Wisconsin, reported in the Chicago Legal News for November 16, 1878. These cases were decided respectively by the district judges of those circuits, and different conclusions were reached—Judge Swing, of the Ohio circuit, holding the law to be constitutional; Judge Dyer, of the Wisconsin circuit, deciding that it is unconstitutional. In both these cases the question was argued and decided upon the eighth clause of section 8, article 1 of the Constitution—the patent and copyright clause—the judges agreeing that that is the only clause from which the authority of Congress on the subject of trade-marks can be derived.

And indeed the argument drawn from the likeness that property in the use of trade-marks bears to that which exists in patents and copyrights, and from the fact that Congress, in legislating upon these three matters, has, both in the original act and in the Revised Statutes, classed them together, demands careful consideration.

Undoubtedly in the legislative mind they were kindred subjects, and the power of Congress over them (it was thought) might be derived from the same source.

I shall, however, leave this argument to the court, referring to the opinion of Judge Swing, which is filed with this brief.

I maintain the constitutionality of the statute upon which this information is found, upon the ground that it is an act regulating commerce within the power given to Congress by the third clause of the eighth section of article 1 of the Constitution.

1. This power extends to and embraces all lawful means and instrumentalities by which trade is conducted.

"Commerce is traffic, says Mr. Justice Swayne, but it is much more. It embraces also transportation by land and water, and all the *means* and *appliances* necessarily employed in carrying it on." (Railroad Company *v.* Fuller, 17 Wall., 560.) To the same effect see Pensacola Telegraph Company *v.* Western Union Telegraph Company, 96 U. S., 1.

In a recent case, Welton *v.* State of Missouri, 91 United States, 275, the court, speaking through Mr. Justice Field, says: "Commerce is a term of the largest import. It comprehends intercourse for the purposes of trade in any and all its forms, including the transportation, purchase, sale, and exchange of commodities, between the citizens of our country and the citizens or subjects of other countries, and between the citizens of different States. The power to regulate it embraces all the instruments by which such commerce may be conducted. So far as some of these instruments are concerned, and some subjects which are local in their operation, it has been held that the States may provide regulations until Congress acts with reference to them; but where the subject to which the power applies is national in its character, *or of such a nature as to admit of uniformity of regulation*, the power is exclusive of all State authority."

This is a comprehensive and lucid statement of what is meant by the term commerce, as used in the Constitution, and of the extent of the power of Congress over it.

It is but the condensation of the deliverances of this court, in exposition of the commerce clause of the Con-

stitution, in several leading cases, which are very familiar, and need not be cited.

I shall use the passage as the foundation of what I shall say in upholding the legislation of Congress in regard to trade-marks.

The purchase and sale of commodities, then, is included in the term commerce, and the power of Congress over it embraces all the instruments, aids, and appliances by which traffic is prosecuted. True, such trade and intercourse must be foreign, or "among" the citizens of the different States; but if the instrumentalities employed as aids to such trade and commerce are not local in their operation, and are of such a nature as to admit of uniformity of regulation, the power of Congress not only applies to them, but it is exclusive.

II. *Trade-marks* are important instrumentalities, aids, or appliances by which trade, especially in modern times, is conducted. They are the means by which manufacturers and merchants distinguish their manufactures and merchandise from those of others. They are the symbols by which business men engaged in trade and manufactures become known in the marts of commerce, by which their reputations and the reputation of their goods is extended and published; and as they become better known the profits of their business is enhanced. Hence the use of trade-marks by manufacturers and commercial men has become universal. In all trade and business of any extent, they are necessary auxiliaries.

Among commercial nations there is a growing tendency to universal recognition of these emblems of commerce. (Browne on Trade-marks, sec. 302.) So impor-

tant are they considered and so necessary their use as aids, to the exchange of commodities in the great markets of the world, and so essential their protection to the interests of commerce, that they have been made the subject of treaties between nations, notably between the United States and France, the German Empire, Belgium, Austria, and Russia. The English "merchandise marks act" of 1862 affords the same protection to foreigners that it does to the subjects of Great Britain. (Browne on Trade-marks, page 565.)

These statements and considerations, which cannot be gainsaid, lead to the conclusion that trade-marks are necessary instruments of trade; and, from the legal positions taken above, it follows that their protection by law is a regulation of commerce, and is within the power of Congress.

III. The subject of trade-marks is not one of *local* but of general interest—of common interest throughout all commercial nations. Their use and operation, and the benefits derived from their use, are not confined to particular localities, States, or countries. They not only admit, but in order to their efficiency and to insure the benefit from them, they require uniformity of regulation.

It is not in Hamilton County only, but throughout the country, wherever there is a market for whisky, that the owners of the trade-marks which the information in this case alleges were counterfeited by the defendants, need protection. They have a right to whatever reputation they may have gained as manufacturers of whisky, and that the symbols by which their product is known shall be everywhere respected.

Now, it is because of the diversity of the laws and regulations upon this subject in different States, and of

the practice under them and their consequent inefficiency in affording the needed protection, that Congress has been moved to enact laws that shall have a *uniform operation* throughout the nation, and shall be adequate to the protection of the rights in this regard of manufacturers and men engaged in trade, whether inhabitants of this or of foreign lands. Tested by the practice of commercial states and countries that have entered into treaties and conventions concerning it, the subject of trade-marks has certainly been considered by those states and countries as one requiring uniformity of regulation throughout the commercial world.

It is plain that trade-marks as aids to commerce are matters of universal interest, and require uniformity of regulation.

The conventions to which I have alluded are found in the volume of Revised Statutes relating to public treaties. That with Austria on page 35; that with Belgium, on page 67; that with France, on page 254; that with German Empire on page 259; that with Russia on page 674. The English "merchandise marks act" of 1862, which extends protection to foreigners as well as subjects of Great Britain, is abstracted by Mr. Browne in his work on "Trade-marks," pp. 565 to 569.

IV. Congress has endeavored to effect this uniformity of regulation in the matter of trade-marks, first, by providing for their registration, and, as remedies for the violation of the owners' rights in them, an action on the case for damages and by bill in equity to enjoin the offending party. (Secs. 4937, 4941, 4942, Rev. Stats., pp. 955, 956.) But these civil remedies proved insufficient and inadequate to prevent pirating upon trade-

marks. They were no more efficient, indeed they do not materially differ from those to be had at common law.

Congress then, following the examples of Prussia, France, and England (Browne on Trade-marks, pp. 560–572), passed the act of August 14, 1876, which makes the counterfeiting of trade-marks, affixing colorable imitations of trade-marks to packages of goods, and the dealing knowingly in goods having counterfeit trade-marks upon them, offences punishable by fine or imprisonment, or both.

All these offences are charged in the counts of the information. Further specification is unnecessary, for the demurrer is to the whole information, and the ground of demurrer is that the entire act is unconstitutional.

I do not understand that the power of Congress to legislate upon this subject is seriously questioned; but it is said that, in the act of August 14, 1876, as well as in the act of July 8, 1870, Congress has exceeded its authority, because in their application they reach to cases arising wholly within the limits of a State; that they are regulations not only of inter-State and foreign commerce, but that they affect the domestic commerce of the several States. All this legislation is unconstitutional, because its operation is not restricted to commerce between the States and with other nations.

The answer is, that the subject of these acts is a general interest of commerce, upon which Congress has power to legislate. It has been shown that the operation of trade-marks is not local, but is coextensive with trade. Now, it is no objection to a law regulating such an interest that it touches the internal commerce of a State.

In the Wheeling Bridge Case (18 How., 421) it was observed by the court, "It will not do to say that the exercise of an admitted power of Congress conferred by the Constitution is to be withheld if it appears or can be shown that the effect and operation of the law may incidentally extend beyond the limitation of the power. Upon any such interpretation the principal object of the framers of the instrument in conferring the power would be sacrificed to the subordinate consequences resulting from its exercise."

The power of Congress to tax imports is exclusive—it is forbidden by the Constitution to the States; and yet this constitutional provision very seriously limits the power of the States over their internal commerce.

It was held in Brown *v.* The State of Maryland (12 Wheaton, 419) that the States can in no way or manner tax the sale of imported goods until they have been so acted upon that they have become incorporated and mixed up with the mass of the property of the country. The law of Maryland, which was held unconstitutional, required other persons as well as the importers who sold imported goods by wholesale, bale, or package, to take out licenses to sell. The judgment of the court, therefore, applies to the sale of imported merchandise not by the importers only, *but by those who have purchased of importers*, so long as it remains in the packages, and until by their being broken and mixed up with the mass of property in the country the goods have lost their distinctive character as imported merchandise. (4 Wheat., 441.) Mr. Justice Strong, delivering the opinion of the court in case of the State tax on railway gross receipts (15 Wall., 284), gives to the language of Chief Justice Marshall in Brown *v.* Maryland this extent.

Here it is very plain that by this authoritative exposition of the Constitution, not only the power of a State over its internal commerce, but its right to tax property within its jurisdiction, is interfered with and limited. The goods may go through any number of hands, but before they have lost their distinctive character as imported merchandise, the States cannot touch them.

So, where States, in the exercise of their power to legislate concerning the police, morals, or health of the community, have endeavored to regulate the sale of particular articles, as of spirituous liquors, their laws are invalid, so far as they affect the sale of imported goods, by the importer or other persons, while the goods are in the original package, and not mixed up with the general mass of salable commodities. (The License Cases, 5 Howard, 504; Commonwealth *v.* Kimball, 24 Pick., 359.)

The power of Congress to regulate the navigation of the navigable waters of the United States will not be denied. True, in several cases this court has held that State laws creating impediments to the navigation of certain small rivers and lakes, concerning the navigation of which Congress has taken no action in regulation thereof, were not in violation of the Constitution. But in all these cases the paramount power of Congress over the subject was invariably asserted. (Wilson *v.* Blackbird Creek Marsh Co., 2 Pet., 245; Gilman *v.* Philadelphia, 3 Wall.; Pound *v.* Truck, 95 U. S., 459.) In this last case, Mr. Justice Miller, speaking for the court, says: "The principle established by these decisions is, that in regard to the powers conferred by the commerce clause of the Constitution there are some which, by their essential nature, are exclusive in Congress, and

which the States can exercise under no circumstances; while there are others which, from their nature, may be exercised by the States *until* Congress shall see proper to cover the same ground by such legislation as that body may deem appropriate to the subject."

The question in this case was upon the constitutionality of a law of the State of Wisconsin, authorizing the construction of a dam and a boom across the Chippewa River, a small stream lying wholly within that State but emptying its waters into the Mississippi. The law was sustained. But the doctrine of this and of all the cases is that the power of Congress is paramount over the subject; and an act of Congress prohibiting the construction of all bridges, dams, or booms, which shall obstruct or hinder the navigation of any navigable waters of the United States, even of such unimportant streams as the Blackbird Marsh Creek and the Chippewa River, streams lying wholly within States, but connected with larger highways of commerce, would be constitutional. And yet such a law would obstruct and interfere very much with the internal trade and intercourse of the States. Nay, its chief operation might be upon *infra* State traffic. It is unnecessary to cite instances. They will occur to every one.

Again, the regulation of pilotage is within the power of Congress. (Cooley *v.* Board of Wardens, 12 Howard, 209.) A general law regulating pilotage upon all navigable waters would materially affect the internal commerce of very many States.

There are navigable rivers almost numberless, whose course is wholly within States, which are navigated by steam vessels and sailing craft, plying from point to

point within the States to which they respectively belong, and engaged in trade entirely within those States. The Illinois and Kentucky Rivers, the Altamaha in Georgia, are instances, and the Hudson, though touching for a few miles of its course upon New Jersey, is mainly in the State of New York. A very large portion—I may say the larger portion—of its trade is between New York City and other towns and cities within the State of New York. Now, a law such as I have supposed would operate upon this exclusively State trade. Would it therefore be unconstitutional?

Upon almost all of these rivers there are and must be pilots, who have special knowledge of them—the impediments to their navigation, such as shoals, rocks, bars, and snags. The regulation of pilots upon those rivers would seem very properly to be a subject of State supervision.

But Congress has thought otherwise, and we are not left to suppose action upon the subject. In the steamboat act of February 28, 1871 (16 Stats., 440), collated with prior laws upon the same subject under Title LII of the Revised Statutes, Congress has laid down rules, general and particular, by which steamboat pilots shall be governed, and regulated the whole subject of steam navigation. Those laws apply to all vessels propelled in whole or in part by steam, navigating any waters of the United States which are common highways of commerce, or open to general or competitive navigation. (Sections 4399, 4400, Rev. Stats.) This language would seem to cover even inland rivers and lakes which are open to general or competitive navigation, but which have no outlet into larger navigable waters.

Section 5344, R. S., which is taken from the act of

February 28, 1871—and that from the act of July 7, 1838 (5 Stat., 306)—makes the officers, including pilots, employed on steamboats, and their owners, inspectors, and other public officers, liable to indictment for the crime of manslaughter in any circuit court of the United States, if, through their fraud, connivance, misconduct, or violation of law, the life of any person is destroyed.

Some of these laws have long been in force, certainly since the year 1838. Their constitutionality has not, so far as I can learn, been questioned. Upon the criminal section, 5344, indictments have been found and cases tried. (United States *v.* Farnham, 2 Blatch., 528; United States *v.* Warren, 4 McLean, 463; United States *v.* Taylor, 5 McLean, 242.) In these the constitutional question does not appear to have been raised.

Now, it is apparent that this whole body of law, regulating as it does in all respects steam navigation upon navigable waters everywhere in the country, touches in very many points trade and intercourse which is wholly within particular States, and trenches upon the admitted right of the States, in the absence of legislation by Congress, to pass laws upon the same subjects, e. g., the subject of pilotage, which was left to be regulated by the State by the act of 7th of August, 1879. (1 Stats., 54.) That act provides that all pilots shall be governed by the laws of the States regulating pilotage, *until legislative provision shall be made by Congress.* Congress having made provision concerning steamboat pilots, the rules of the States respecting them are swept away.

So section 5344, R. S., trenches upon the criminal jurisdiction of the States. It makes things done or neglected to be done, though upon the territory or within the juris-

diction of the States, crimes, which are not crimes by the laws of the States, and gives to United States courts jurisdiction to try such offenses.

In the case of the United States *v.* Holliday (3 Wall., 407), which was an indictment upon the act of February 12, 1862 (12 Stats., 339), which forbade, under a heavy penalty, the selling of ardent spirits to Indians under the charge of any Indian superintendent, it appeared that the defendant sold the liquor to an Indian in Gratiot County, Michigan; and it was objected, as in the case now before the court, that the United States court had no jurisdiction of the offense. Answering this objection, Mr. Justice Miller, speaking for the court, says, p. 417: "Is there anything in the fact that this power is to be exercised within the limits of a State which renders the act regulating it unconstitutional?"

In the same opinion to which we have just before referred (Gibbons *v.* Ogden), Judge Marshall, in speaking of the power to regulate commerce with foreign states, says: "The power does not stop at the jurisdictional limits of the several States. It would be a very useless power if it could not pass those lines." "If Congress has power to regulate it, that power must be exercised wherever the subject exists." "It follows from these propositions, which seem to be incontrovertible, that if commerce or traffic or intercourse is carried on with an Indian tribe, or a member of such tribe, it is subject to be regulated by Congress, although within the limits of a State. The locality of the traffic can have nothing to do with the power."

The cases cited and the argument from the statutes above referred to (whose constitutionality has not been questioned, so far as I know, in any decided case), es-

tablish this proposition: that it Congress has power over any subject, its legislation concerning it is constitutional, though such legislation may in its operation affect the internal concerns of the States and even conflict with State laws.

It has been shown that Congress has power to legislate upon the subject of trade-marks as a general interest of commerce—that it is a subject which admits of and requires uniformity of regulation, and now it is submitted that these acts of Congress, the purpose of which is to give uniform protection throughout the country to these instruments of trade, are constitutional, however they may affect the internal commerce of the States, and even if they shall supplant State legislation.

It should be added that these statutes can hardly be said in any case to operate exclusively upon *infra* State commerce.

Take the case before the court, and let that be supposed which does not appear—that the trade-marks which the defendants have dealt in and counterfeited are owned by persons residing or doing business in Hamilton County, Ohio. The right to the mark is commensurate with the right to sell. It extends to all the markets where whisky is bought and sold. The article bearing the false stamp is not kept at home; if that were so there would be small temptation to imitate trade-marks. The spurious article appears with the genuine in all markets—follows it to other States and countries; thus the profit and advantage to which the first appropriator is justly entitled are intercepted and diverted and made to enrich another.

It is impossible to confine the act of the counterfeiter and false dealer in trade-marks to any locality or State. The rightful owner is injured by it in his business in Baltimore and New York, as well as in Cincinnati.

Now, the effect of these acts of Congress is to put a stop to this fraudulent dealing in trade-marks within a State which interferes with their legitimate use in trade between the States and in foreign trade. They forbid transactions within a State involving the use of false trade-marks, whereby the right of the owners of the genuine to sell in all markets is obstructed and its value diminished.

The operation of these acts is therefore to regulate interstate and foreign commerce. If they touch the purely internal affairs of the States, it is only incidentally and to an inappreciable extent.

CHAS. DEVENS,
Attorney-General.
A. R. DUTTON.

Robert Clarke & Co., Printers, Cincinnati, O. [*August*, 1879.

SUPREME COURT OF THE UNITED STATES,

OCTOBER TERM, 1879.

The United States of America

No. 719.] *vs.*

W. W. Johnson, T. E. McNamara, and N. S. Reeder.

ARGUMENT FOR DEFENDANTS.

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CASE STATED.

This cause comes into this Court by certificate of division of opinion between the judges of the Circuit Court for the Southern District of Ohio.

The defendants were prosecuted by criminal information, filed by the district attorney, under the act of Congress, approved August 14, 1876 (19 Statutes at Large, 141):

"to punish the counterfeiting of trade-mark goods, and the sale or dealing in of counterfeit trade-mark goods."

The information (Record, 1) contains seven counts, of which the *first*, *fourth*, and *sixth* are founded upon a trade-mark consisting of the letters, "O K," registered in the United States Patent Office, by Charles F. O'Donnell, April 2, 1878, for use upon packages of whisky, and, respectively, charge the defendants with counterfeiting, affixing a colorable imitation, and dealing in and selling packages of whisky to which was attached a colorable imitation of said trade-mark; and the *second*, *third*, *fifth*, and *seventh* counts are founded upon another trade-mark, consisting of a seal and ribbon, the latter secured by the seal of a package containing whisky, registered by Charles F. O'Donnell, May 21, 1878, and, respectively, charge the defendants with counterfeiting, making a colorable imitation, affixing a colorable imitation, and dealing in packages of whisky to which was attached a colorable imitation of said trade-mark. All these offences are charged to have been committed in the county of Hamilton, in the State of Ohio.

The defendants demurred (Record, 5), *first*, for want of jurisdiction; and, *secondly*, because the information fails to state any offence against the United States.

The judges (Baxter and Swing), upon this demurrer, certify a difference of opinion, the question being, whether the act of Congress is constitutional.

ARGUMENT.

The single question presented in this case, is, of the constitutionality of the acts of Congress to punish the counterfeiting of trade-marks. It involves also, indirectly, the constitutionality of sections 4937–4947, of the Revised Statutes, providing for the registration of trade-marks, and furnishing remedies for their infringement. If this legislation be constitutional, the demurrer must be overruled, at least as far as the present point is concerned, and the defendants must go to trial.

But this question divides itself, and becomes two-fold, by reason of the claims made to sustain this legislation, under the provisions of the eighth section of article one of the constitution conferring power upon Congress,

"8. To promote the progress of science and the useful arts; by securing, for limited terms, to authors and inventors, the exclusive right to their respective writings and discoveries;"

and,

"3. To regulate commerce with foreign nations and among the several states, and with the Indian tribes."

We shall consider these in this order. But, before doing so, we ask attention to the fact that the ordinary presumption, in favor of the validity of legislation, does not apply with its usual force to this case. The

evidence of contemporaneous construction is against this legislation. While, on the one hand, the Federal Government, from its organization, assumed exclusive control of patents and copyrights, without dispute or contention by the States, on the other hand, the State Governments, until 1870, took equally exclusive control of trade-marks, and by legislation and judicial decision established and exercised power over this subject. And whatever, during this period, was done in the Federal courts, was in pursuance of their ordinary common-law and equity jurisdiction, exercised concurrently with the courts of the states, between citizens of different states, or others having the right to invoke the exercise of their jurisdiction by reason of residence, but never between citizens of the same State. It was not until the year 1870, that Congress took any step looking like the assertion of federal control in this regard, nor has any State yet conceded it, but the legislatures and courts of the States still continue to regulate trade-marks. Browne on Trade-Marks, § 454.

For the legislation of Ohio, making the counterfeiting of trade-marks criminal, see 1 Swan & Critchfield's Statutes, 454, 456; Swan & Sayler's Supplement, 286.

These laws were re-enacted in 1879, in the revision of the laws of Ohio, which takes effect January 1, 1880, but is not yet printed.

The reason for this long-continued practice of the States and Congress will be found in the consideration of the different nature of patents and copyrights, and of trade-marks, as we shall now attempt to show.

I.

The legislation of congress can not be sustained under the *eighth* clause of article 1, section 8, which gives full and exclusive power over the subject of patents and copyrights.

Trade-marks differ from patents and copyrights, in this, that they exist as property by force of the principles of common law and equity, independently of any clause in the constitution or act of Congress—they are unlimited in duration, while patents and copyrights can have, under the constitution, only "limited terms"—they are unlimited in territorial extent, whereas the United States can only impart to a patent or copyright, value within its own boundaries.

Trade-marks require the exercise of none of the faculties of the inventor or discover, for originality is not necessarily predicable of them, the law being content with priority of application of a well-known symbol to goods of a particular manufacture.

The office of the trade-mark is designation, distinction, description. Its purpose is public identification, to point out, to advertise merchandize, to prevent customers from mistaking other goods for those of the manufacturer or vendor, and thus to assure to buyers the certainty of procuring what they wish. Thus, although not the subject of registration under the statutes of the United States (section 4939), there are cases

in which the manufacturer's name may be a proper trade-mark.

It was so held, with regard to the name "Singer" upon sewing-machines, by the House of Lords. *Singer Machine Manufacturers* v. *Wilson*, 3 Law Rep. Appeal Cases, 376.

"A person may have a right in his own name as a trade-mark, as against a person of a different name. (*Millington* v. *Fox*, 3 Myl. & Cr. 338; *Dent* v. *Turpin*, 2 Johns. & Heming, 139.) But he can not have such a right as against another person of the same name, unless the defendant uses a form of stamp or label so like that used by the plaintiff as to represent that the defendant's goods are of the plaintiff's manufacture." *Gilman* v. *Hunnewell*, 122 Mass. 147.

So, also, although the general rule is to the contrary, at least in the case of products of the country or place whose name is so used (*Canal Company* v. *Clark*, 13 Wall. 324), a geographical or territorial name may be a trade-mark, as "Anatolia" upon sticks of liquorice (*McAndrews* v. *Basset*, 4 De Gex, Jones & Smith, 380; S. C., 10 Jurist, N. S. 550); "Worcestershire" upon bottles ofsauce (*Lea & Perrins* v. *Deakin*, 18 American Law Reg., N. S., No. for May, 1879, p. 322); "Bethesda" and "Congress" upon bottles of mineral waters (*Dunbar* v. *Glenn*, 42 Wisc. 118; *Congress and Empire Spring Co.* v. *High Rock Congress Spring Co.*, 45 N. Y. 291).

So, also, letters of the alphabet are used as trade-marks, as in the case of the letters "WC," upon iron in the case of *Crawshay* v. *Thompson*, 5 Scott, 562; S. C., Mann. & G. 357; and in the case of Wostenholme's cut-

lery, marked" I. X. L.," and the case at bar, in which both O'Donnell and the defendants claim the right to the letters "O. K." upon barrels of whisky. Neither O'Donnell nor the defendants can be said to be the inventors or discoverers of the device of affixing a seal and ribbon to a barrel of whisky; yet both, in this case, will contend that it is their lawful trade-mark by priority of use.

The figure of an anchor on a metal tally attached to a bundle of wire is a trade-mark. *Edelsten* v. *Edelsten*, 1 De G. J. & S. 185. Illustrations might be multipled *ad libitum*, for any honest device, however familiar may be a trade-mark. As is said by Mr. Upton, in his work on Trade-marks, 9, a passage adopted by Mr. Justice Clifford, in *McLean* v. *Fleming*, 96 U. S. 254:

"A trade-mark is a name, symbol, figure, letter, form, or device, if adopted and used by a manufacturer or merchant, in order to designate the goods he manufactures or sells, and to distinguish the same from those manufactured or sold by another," etc.

In *Canal Company* v. *Clark*, 13 Wallace, 322, Mr. Justice Strong says:

"Undoubtedly, words or devices may be adopted as trade-marks, which are not original inventions of him who adopts them; and courts of equity will protect him against any fraudulent appropriation or imitation of them by others. Property in a trade-mark, or rather in the use of a trade-mark or name, has very little analogy to that which exists in copyrights, or in patents for inventions. Words in common use, with some exceptions, may be adopted, if, at the time of their adoption, they were not employed to designate the same or like articles of production. The office of a trade-mark is to point out distinctively the origin or ownership of the article to which it is affixed, or, in other

words, to give notice who is the producer. This may, in many cases, be done by a name, a mark, or a device, well known, but not previously applied to the same article.

"But, though it is not necessary that the word adopted as a trade-name should be a new creation, never before known or used, there are some limits to the right of selection. This will be manifest, when it is considered that, in all cases where rights to the exclusive use of a trade-mark are invaded, it is invariably held that the essence of the wrong consists in the sale of the goods of one manufacturer or vendor as those of another; and that it is only when this false representation is directly or indirectly made, that the party who appeals to a court of equity can have relief. This is the doctrine of all the authorities. Hence, the trade-mark must, either by itself or by association, point distinctively to the origin or ownership of the article to which it is applied. The reason of this is that, unless it does, neither can he who first adopted it be injured by any appropriation or imitation of it by others, nor can the public be deceived."

And the principle is again stated, to the same effect, by Mr. Justice Clifford, in *McLean* v. *Fleming*, 96 U. S. 254.

In *Gilman* v. *Hunnewell*, 122 Mass. 147, Chief Justice Gray says:

"A trade-mark may consist of a name or a device, or a peculiar arrangement of words, lines, or figures, in the form of a label, which has been adopted and used by a person, in his business, to designate goods of a particular kind, manufactured by him, and which no other person has an equal right to use. The right in a trade-mark so applied is property which a court of chancery will protect by injunction."

"A party may have a property, that is—an exclusive right to use—a 'name, symbol, figure, letter, form, or device,' to distinguish goods manufactured and sold by him from those manu-

factured and sold by others, or to indicate where or by whom or at what manufactory the article to which it is affixed is manufactured. This property right the Court will protect by injunction, and, for its invasion, the law gives compensation in damages." *Colman* v. *Crump*, 70 New York, 578.

The whole subject was carefully examined, in the light of principle and authority, by Judge Dyer in Wisconsin, in the case of *Leidersdorf* v. *Flint*, 7 Cent. Law Journal, 405; S. C., 6 Reporter, 739, and his decision (concurred in by Mr. Justice Harlan) is so cogently persuasive in our favor, that we are spared the labor of further citation.

Our contention is also sustained by two letters from William Ritchie, Esq., of the Dayton (Ohio) bar, printed in the Central Law Journal, vol. 7, pp. 143, 163, and to the thorough and exhaustive discussion of this question, which they contain, we beg leave to refer the Court, by way of fortification of our argument.

How can a trade-mark be said to "promote the progress of science and the useful arts?" This is the controlling purpose for which the power was granted. If an invention do not subserve this end, but is frivolous and useless, or not novel, it is equally valueless in law.

The clause, read distributively, as it should be, grants power, but only within this stated purpose, to secure the exclusive right for limited terms to authors for their writings, and inventors for their discoveries.

But the purpose, thus stated, enables us easily to

perceive, that if the power of Congress, to legislate upon the subject of trade-marks, is to be established, it must be by reference to some other clause of the Constitution. A trade-mark, like a bill of exchange or policy of insurance, may be valuable as a tool, an implement of commerce, an adjunct of commercial transactions. It affects the *use* of nothing; it merely facilitates the *sale* of something. And the "foundation of title to a trade-mark is priority of adoption and actual use *in trade*." 7 Cent. Law Journal, 144, Letter of William Ritchie, Esq.

Except in case of loan or sale, a trade-mark has no function. It is only in a case of commerce, where minds meet (*cum*) for the disposal of merchandise (*merx*), that the trade-mark has any part to play in the world. Among savages and nations without commerce, the trade-mark is unknown; it began with commerce, and exists only for its assistance, whereas, discoveries were made in the rudest ages, and are the successive steps by which civilization ascends.

It is for these reasons that the attempt made by Judge Swing, in *Duwell* v. *Bohmer*, 10 Chicago Legal News, 356; S. C., 6 Reporter, 262, to support this legislation by the clause of the constitution now under consideration, is rejected by Mr. Browne, the erudite author of the treatise upon Trade-marks, in a letter to the New York *Tribune*, reprinted in the Central Law Journal, vol. 7, pp. 495–497. Judge Swing had held, in the Circuit Court for the Southern District of Ohio, that there may now be litigation in the Federal Courts,

between citizens of the same state, to restrain or remedy the infringement of trade-marks. This Mr. Browne denies, following and approving the opinion of Judge Dyer (concurred in by Mr. Justice Harlan) to the contrary, in *Leidersdorf* v. *Flint*, already referred to.

But Mr. Browne attempts to support this legislation by reference to the power of Congress to regulate commerce. He had already defined a trade-mark as being—

"nothing more nor less than one's commercial signature to his goods." Browne on Trade-Marks, § 130.

II.

But this must fail for the reason that the power is limited. Had Congress a general and unqualified power to regulate commerce, our contention might perhaps be fruitless. But the power is to

"regulate commerce with foreign nations, and among the several states and with the Indian tribes."

There is nothing in the information to indicate that this trade-mark is, or has ever been, or can be used as an adjunct of commerce, "*with foreign nations*," or "*among the several States*," or "*with the Indian tribes*." There is nothing to show that the defendant's whisky does not find its customers at home in Ohio. Certainly the only dealing charged is in Hamilton county,

Ohio. We have the right, for aught that appears, to hold our high opinion of our clients and their goods, and to believe that in the general rush for the very superior article they manufacture and sell under this trade-mark, no Kentuckian, deserting his inferior home-made drink, will ever be in season to buy any, or if he do, to conclude that the temptation for immediate consumption will be too strong for resistance, and that he will drink it before reaching the bridge or ferry. Doubtless, in this generation, all good things originate in Ohio, as in the reign of James the First all deserving persons came from Scotland, but then they required exportation, whereas the highly cultivated and thirsty people of Ohio furnish a sufficient home market, at least for whisky, and are even open to the suspicion of assuaging their thirst with imported liquor also. And however desirable it may be that liquor of our client's manufacture should be substituted for the vile article which has decimated the Indian tribes, the record furnishes no suggestion that any "O K" or "Seal and ribbon" whisky has ever reached, or is likely to reach, the parched throat of the red man. Ohio, we may believe, has not yet more than enough for the uses of her own sons and daughters.

But, pleasantry aside, if there be under this clause any power over the subject of trade-marks, it must be confined to trade-marks upon property employed in foreign, or inter-state, or Indian commerce. "Among the States" means "between the States," not "in any State." The object of the Federal Union was to regu-

late those high affairs, in which the States stand related to each other, and to other nations, and to Indian tribes, and not their domestic circumstances. That power was not delegated, and any possibility of its implication has been prevented by the tenth amendment.

"Comprehensive as the word 'among' is, it may very properly be restricted to that commerce which concerns more States than one. The phrase is not one which would probably have been selected to indicate the completely interior traffic of a State, because it is not an apt phrase for that purpose, and the enumeration of the particular classes of commerce to which the power was to be extended, would not have been made, had the intention been to extend the power to every description. The enumeration presupposes something not enumerated, and that something, if we regard the language or the subject of the sentence, must be the exclusively internal commerce of a State. The genius and character of the whole government seems to be that its action is to be applied to all the external concerns of the nation, and to those internal concerns which affect the States generally, but not to those which are completely within a particular State, which do not affect other States, and with which it is not necessary to interfere, for the purpose of executing some of the general powers of the government. The completely internal commerce of a State, then, may be considered as reserved for the State itself." *Gibbons* v. *Ogden*, 9 Wheat. 194.

There is no theory by which the power of Congress, as exercised over the subject of trade-marks, can be maintained, which does not practically reject the limitation, and convert the grant into one of universal application. Bread is commercial property, and its transportation from one State to another, for commercial purposes, may be regulated by act of Congress, but it will

hardly be claimed, that an act requiring the registration of bakers, defining the size of loaves, and limiting their price, would be constitutional. Petroleum is commercial property, and its transportation on the navigable waters of the United States is regulated by act of Congress, but it will not be contended, since the decision in the case of *United States* v. *Dewitt*, 9 Wall. 41, that Congress may prescribe the standard of purity, at which refined oil may be sold for consumption, or fix a trademark or token for its designation. There is no other end to illustrations of this kind, than the limit of movable personal property. Every species of movable personal property may be carried out of a State, but it does not follow that a general act, regulating its sale within the State, would be within the scope of the powers conferred by the constitution upon Congress.

An act of Congress forbidding the transportation, from State to State, of game killed out of season, may be constitutional, but does it follow that Congress may prescribe the months within which quail may be killed, or trout caught?

Otherwise, inspection laws should be of federal origin; but, in *Gibbons* v. *Ogden*, 9 Wheat. 203, Chief Justice Marshall repelled this view thus:

"That inspection laws may have a remote and considerable influence on commerce, will not be denied; but that a power to regulate commerce is the source from which the right to pass them is derived, can not be admitted. The object of inspection laws is to improve the quality of articles produced by the labor of a country—to fit them for exportation, or, it may be, for do-

mestic use. They act upon the subject, before it becomes an article of foreign commerce, or of commerce among the States, and prepare it for that purpose. They form a portion of that immense mass of legislation which embraces everything within the territory of a State, not surrendered to the general government, all of which can be most advantageously exercised by the States themselves. Inspection laws, quarantine laws, health laws of every description, as well as laws for regulating the internal commerce of a State, and those which respect turnpike roads, ferries, etc., are component parts of this mass."

See also *Gilman* v. *Philadelphia*, 3 Wall. 726, in which this passage is cited with approval by Mr. Justice Swayne.

The federal power may be applied when, but can not be invoked before, such personal property is moved from its *situs* in any State, in course of transportation beyond the State boundary, or perhaps when it is dealt with or disposed of for commercial purposes, intended to be completed out of the State. It thus becomes the subject of

"commerce with foreign nations, and among the several States, and with the Indian tribes."

But this federal power does not seem to apply to property removed from one State to another, unless for purposes of commerce. An emigrant from Ohio to Kansas is not engaged in commerce. To transport him may involve the use of commercial agencies, and be an act of commerce by the carrier; but the emigrant does not, by the removal, otherwise engage in commerce. If he carry with him property bearing a trade-mark, acquired

and intended merely for the *use* of himself and family, does he thereby become the subject of an act of congress for the regulation of trade-marks?

The cases of *Nathan* v. *Louisiana*, 8 How. 73, and *Veazie* v. *Moore*, 14 How. 568, sustained by the later cases of *Woodruff* v. *Parham*, 8 Wall. 123, and *State Tax upon Railway Gross Receipts*, 15 Wall. 284, ought effectually to stamp out the heresy we are combatting, and are directly in point to the proposition that it is not because property *may* become, but only when it does become the subject of foreign or inter-state commerce, that it is within Federal and passes beyond State control.

In *Nathan* v. *Louisiana*, it was held that the States may lawfully levy taxes upon all money or exchange brokers. The tax was resisted, because thus commerce in foreign or inter-state bills of exchange might be impeded. The Court (McLean, J.) replies to this suggestion, p. 80, thus:

"What is there in the products of agriculture, of mechanical ingenuity, of manufacture, which may not become the means of commerce? And is the vendor of these products exempted from State taxation, because they may be thus used? Is a tax upon a ship, as property which is admitted to be an instrument of commerce, prohibited to a State? May it not tax the business of ship-building, the same as the exercise of any other mechanical art? And also the traffic of ship-chandlers, and others who furnish the cargo of the ship, and the necessary supplies? There can be but one answer to these questions. No one can claim an exemption from a general tax on his business within the State, on the ground that the products sold may be used in commerce. No State can tax an export or an import, as such, except under the limitations of the constitution. But, before the article becomes an

export, or after it ceases to be an import, by being mingled with the property of the State, it is a subject of taxation by the State.

And again, page 82:

"If this power of taxation by a State, within its jurisdiction may be restricted beyond the limitations stated, on the ground that the tax may have some indirect bearing on foreign commerce, the resources of a State may be thereby essentially impaired."

In *Veazie* v. *Moor*, 14 How., on page 573, Mr. Justice Daniel says:

"Commerce with foreign nations must signify commerce which in some sense is necessarily connected with these nations, transactions which either immediately or at some stage of the progress must be extra-territorial. The phrase can never be applied to transactions wholly internal, between citizens of the same community, or to a polity and laws whose ends and purposes and operations are restricted to the territory and soil and jurisdiction of such community. Nor can it be properly concluded that, because the products of domestic enterprise in agriculture or manufactures, or in the arts, may ultimately become the subjects of foreign commerce, that the control of the means or the encouragements by which enterprise is fostered and protected, is legitimately within the import of the phrase *foreign commerce*, or fairly implied in any investiture of the power to regulate such commerce. A pretension as far reaching as this would extend to contracts between citizen and citizen of the same State; would control the pursuits of the planter, the grazier, the manufacturer, the mechanic, the immense operations of the collieries and mines and furnaces of the country; for there is not one of these avocations, the results of which may not become the subjects of foreign commerce, and be borne either by turnpikes, canals, or railroads, from point to point within the several States, toward an ultimate destination, like the one above mentioned."

This case is cited with approval, and the principle again stated in *Withers* v. *Buckley*, 20 How. 92, 93.

When property, the subject of commerce, begins to move in its journey from State to State, the federal power begins to apply, not sooner. *The Daniel Ball*, 10 Wall. 557, 565.

It can not be possible, that a general act of Congress for the registration of chattel mortgages on whisky, or other personalty, would be sustained as constitutional, because such property might become the subject of foreign or inter-state commerce.

As the power of Congress over commerce, when lawfully exercised, is exclusive, and that of the States is permissive only, depending upon the non-assertion of federal control, it follows that the proposition we are combatting involves, as its consequence, the possibility of the loss of all State control over personal property. For if that which *may* become the subject of commerce between the States, or with foreign nations, or Indian tribes, is already prospectively engaged in such commerce, so that it is within the power of Congress exclusively to regulate, it is obvious that there can be no limit to such control, except the will of the Federal Legislature, and its power is, therefore, potentially exclusive, and State regulations, of every kind, must depend upon its will. But this is precisely what, in the cases already cited, and others, the judges of this Court have been careful to guard against.

In *Smith* v. *State of Maryland*, 18 How. 71, 74, it was held that a State may make valid quarantine or

health laws, and under them seize even vessels of the United States.

The law of Maryland forbidding oysters to be taken with a scoop or drag was held to be such, and the seizure of a vessel, for its violation, although enrolled and licensed for the coasting trade, was sustained.

In *Sinnot* v. *Davenport*, 22 How. 243, Mr. Justice Nelson says:

"The power of Congress, however, over the subject *does not extend further than the regulation of commerce with foreign nations, and among the several States. Beyond these limits, the States have not surrendered their power over the subject, and may exercise it independently of any control or interference of the general government.*"

"Doubtless a State may regulate its internal commerce as it pleases." Strong, J., in case of the *State Freight Tax*, 15 Wall. 279.

In *Munn* v. *Illinois*, 94 U. S. 135, it was held that the State may regulate grain elevators,

"Until Congress acts *in reference to their inter-state relations.*"

To the same effect as to the laws of Iowa and Wisconsin, prescribing the rates of fare and freight to be charged by railroad companies, are:

C. B. & Q. R. R. Co. v. *Iowa*, 94 U. S. 163.

Peik v. *C. & N. W. R. R. Co.*, Do. 177.

In the latter case the Chief Justice says:

"But certainly, until Congress undertakes to legislate *for those who are without the* State, Wisconsin may provide for those within, even though it may indirectly affect those without."

In *Hall* v. *DeCuir*, 95 U. S. 488, the Chief Justice says:

"*By such statutes, the States regulate, as a matter of domestic concern, the instruments of commerce situated wholly within their own jurisdiction, and over which they have exclusive governmental control, except when employed in foreign or inter-state commerce.* As they only be used in the State, their regulation for all purposes may properly be assumed by the State, until Congress acts with reference to their foreign or inter-state relations. When Congress does act, the state laws are superseded *only to the extent that they affect commerce outside the State as it comes within the State.*"

III.

The question submitted by the learned judges of the Circuit Court is divisible. Some portions of the act might be constitutional; some not.

Only the *sixth* and *seventh* counts of the information relate to any commercial transaction. Our contention is, that those portions of the act of 1876, under which the first five counts were framed, are not regulations of commerce. They attempt to punish the counterfeiting of trade-marks, irrespective of any dealing in or disposal of goods, or other commercial transaction whatever.

In *McCready* v. *Virginia*, 94 U. S. 391, it was held that the State of Virginia, in the capacity of owner of the beds of all tide-waters within her boundaries, might lawfully grant to her own citizens the exclusive right to

plant oysters therein. On page 396, the chief justice says:

"There is here no question of transportation or exchange of commodities, but only of cultivation and production. Commerce has nothing to do with land while producing, but only with the product *after it has become the subject of trade.*"

So here, the making a counterfeit trade-mark or affixing a colorable imitation of a trade-mark to goods, while the goods are unused, and while the *tempus penitentiæ* is unexhausted, not only injures no one but the counterfeiter, but is in no sense an act of commerce. When the goods enter into trade, the right to regulate arises. Congress might as well control the planting of corn or oysters, for they in time, may become "the subject of trade," but the power, as is well said in the case just cited, may be exercised, only "*after*," not before the property "has become the subject of trade."

See also *Corfield* v. *Coryell*, 4 Wash. C. C. 371; *Bennett* v. *Boggs*, Baldwin, 72.

So, also, it is held in *Nathan* v. *Louisiana*, 8 How. 73, that a State tax upon money brokers, and in the case of the *State Tax upon Railway Gross Receipts*, 15 Wall. 284, that a State tax upon the gross receipts of railway companies is not a regulation of commerce. In the latter case, at page 294, Mr. Justice Strong says:

"So it must be admitted that a tax upon any article of personal property, that may become a subject of commerce, or upon any instrument of commerce, affects commerce itself. If the tax be upon the instrument, such as a stage coach, a railroad car, or a canal or steamboat, its tendency is to increase the cost of trans-

portation. Still it is not a tax upon transportation, *or upon commerce*, and it has never been seriously doubted that such a tax may be laid."

IV.

The act of 1876 is unconstitutional in its application to violations such as are complained of in the *sixth and seventh* counts of the information, viz., sales within a State, without reference to transportation beyond its borders.

In *Paul* v. *Virginia*, 8 Wall. 183, Mr. Justice Field says:

> "They (policies of insurance made in one State on property in another) do not constitute a part of the commerce between the States, any more than a contract for the purchase and sale of goods in Virginia, by a citizen of New York, whilst in Virginia, would constitute a portion of such commerce."

The case at bar is still stronger, for not only are the dealings charged to have been within the county of Hamilton, in the State of Ohio, but there is nothing to show with whom, whether citizens of Ohio, of other States, aliens or Indians, the dealings were had, nor where Mary V. O'Donnell and James O'Donnell, the pretended owners of the trade-marks, reside.

And if a contract for the purchase and sale of goods bearing a trade-mark, made "in Virginia by a citizen of New York, whilst in Virginia," would not constitute inter-state commerce, it must follow that no

part of the act of 1876 is constitutional. Whether Congress might not require goods transported from one State to another State, or to foreign countries, or to Indian tribes, to be designated by trade-marks, is a question which does not arise. No such law has been passed. The law, which is claimed to be in force, does not relate to transportation, or goods transported, but attempts to punish parties for acts done before inter-state or foreign commerce can possibly begin, viz., in the preparation of merchandise for sale, and in its sale. It is only when such preparation and sale are followed by the act of removal beyond the boundaries of the state in which they took place, that the power of Congress can attach.

Respectfully submitted,

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CINCINNATI, OHIO, *Sept.* 1, 1879.